ORIGINAL

OPEN MEETING AGENDA ITEM



1	BEFORE THE ARIZONA CORPORA	Tlongoning
	COMMISSIONERS	
2	BOB STUMP, Chairman 2013 MAR 18 P 2: 01	
3	GARY PIERCE	
4	BRENDA BURNS BOB BURNS BOB BURNS BOB BURNS	
	SUSAN BITTER SMITH	
5		
6		OCKET NO. E-01049A-11-0300
_	MORENCI WATER & ELECTRIC COMPANY)	
7	FOR APPROVAL OF A RATE INCREASE.	
8	IN THE MATTER OF THE APPLICATION OF) D	OCKET NO. W-01049A-11-0311
9	MORENCI WATER & ELECTRIC COMPANY)	
1	FOR THE ESTABLISHMENT OF JUST AND)	
10	REASONABLE RATES FOR ITS ELECTRIC) AND WATER DEPARTMENTS.)	NOTICE OF FILING
11	AND WATER DEFARTMENTS.	COMPLIANCE
	Decision No. 72727 (F.1	M 'W' IEL C
12	Decision No. 73737 (February 20, 2013) requires	Morenci water and Electric Company
13	("MWE") to file revised Tariffs setting forth the new rates	s and charges that the Arizona
۱4	Corporation Commission approved. Accordingly, MWE f	files the revised tariffs for the Company
15	with the approved rates and charges and in accordance wi	th the Decision.
16	RESPECTFULLY SUBMITTED this 18th day of 1	March 2013
17	RESI ECTI CEET SOBVITTED this to day of the	March, 2013.
'		/ VII. a
18	By W //W	
19	Michael W. Patte	
	dason D. Gellma ROSHKA DEW	un 'ULF & PATTEN, PLC.
20	One Arizona Cer	nter
21	400 East Van Bu Phoenix, Arizon	aren Street, Suite 800
22	Thomas, Mizon	a 03004
1		
23	Attorneys for Mo.	renci Water & Electric Company
24		•
25	Arizona Corporation Commission	
	DOCKETED	
26		
7	MAR 1 8 2013	

	I .
1	Original and 13 copies of the foregoing filed this 18 th day of March, 2013, with:
2	Docket Control
3	Arizona Corporation Commission 1200 West Washington Street
4	Phoenix, Arizona 85007
5	Copy of the foregoing hand-delivered this 18 th day of March, 2013 to:
6	Lyn A. Farmer, Esq.
7	Chief Administrative Law Judge Hearing Division
8	Arizona Corporation Commission 1200 West Washington Street
9	Phoenix, Arizona 85007
10	Janice M. Alward, Esq.
11	Chief Counsel, Legal Division Arizona Corporation Commission
12	1200 West Washington Street
13	Phoenix, Arizona 85007
14	Steve Olea Director, Utilities Division
15	Arizona Corporation Commission
16	1200 West Washington Street Phoenix, Arizona 85007
17	Brian Bozzo
18	Manager of Compliance and Enforcement Utilities Division
19	Arizona Corporation Commission
20	1200 West Washington Street Phoenix, Arizona 85007
21	
22	
23	By Deblew Mucal
24	
25	
26	

Sheet No. E-1.0

THE MORENCI WATER AND ELECTRIC COMPANY ("MWE)

Applies to: The Morenci Water & Electric Company Certificated Service Area Greenlee County, Arizona

Statement of Charges Electric Service

In Decision No. 73737 (February 20, 2013) the Commission approved the following rates effective starting March 1, 2013 for all MWE electric customers.

APPLICABILITY

Applicable to all MWE standard offer customers. This service is normally provided at one point of delivery measured through one meter. More than one service and meter may be provided in instances where such is permitted under 230.2 (A) through (D) of the National Electric Code with prior approval of MWE.

RATE

A monthly rate to become effective for all services on and after the effective date.

BUNDLED STANDARD OFFER SERVICE – SUMMARY OF CUSTOMER AND ENERGY CHARGES

Residential

Description	<u>Rate</u>
Basic Service Charge	\$5.50
Base Cost of Purchased Power per kWh	\$0.05000
Distribution Cost per kWh	\$0.02628

Small Commercial

Description	<u>Rate</u>
Basic Service Charge	\$5.50
Base Cost of Purchased Power per kWh	\$0.05000
Distribution Cost per kWh	\$0.02628

Large Commercial (>60,000 kWh per yr)

Description	<u>Rate</u>
Basic Service Charge	\$35.00
Base Cost of Purchased Power per kWh	\$0.05000
Distribution Cost per kWh	\$0.02628

Effective: March 1, 2013

Replaces All Previously-Issued Tariff Sheet Nos. E1.0

Applies to: The Morenci Water & Electric Company Certificated Service Area Greenlee County, Arizona

Statement of Charges Electric Service

- 1. Distribution Cost per kWh includes Transmission, Sub-transmission, Local Delivery Energy and Production not included in Power Supply.
- 2. The Total calculated above does not take into consideration the current charge or credit based on the Company's Purchase Power and Fuel Adjustment Clause (described below), or any surcharges the Commission approved in order for the Company to attempt to meet standards in renewable energy or energy efficiency that the Commission established (including the Renewable Energy Standard Surcharge or Energy Efficiency Surcharge).

PURCHASED POWER AND FUEL ADJUSTMENT CLAUSE

In addition to the base cost of purchase power, the Commission approved a Purchase Power and Fuel Adjustment Clause ("PPFAC") in Decision No. 49221 (August 2, 1978), as modified in Decision No. 52273 (July 13, 1981), Decision No. 56383 (March 9, 1989) and Decision No. 57767 (March 16, 1992). The PPFAC was modified in Decision No. 73737 in accordance with the Plan of Administration approved in that Decision and on file with the Arizona Corporation Commission. The PPFAC charge or credit ("PPFAC rate") is in addition to all other charges for electric service. The PPFAC rate may change from time to time based on future orders of the Commission and after review of MWE's fuel and purchase power costs.

TAXES AND ASSESSMENTS

In addition to all other rates and charges authorized by the Commission in Decision No. 73737, MWE will collect from its customers all applicable sales, transaction, privilege, regulatory and other taxes and assessments as may now or in the future apply.

RULES AND REGULATIONS

The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. A.A.C. R14-2-201 through R14-2-213 will be controlling of Company procedures, unless subsequent Commission decisions provide otherwise.

Effective: March 1, 2013

Replaces All Previously-Issued Tariff Sheet Nos. E1.0

Applies to: The Morenci Water & Electric Company Certificated Service Area Greenlee County, Arizona

<u>Statement of Charges</u> Miscellaneous Charges – Electric Service

In Decision No. 73737 (February 20, 2013) the Commission approved the following miscellaneous charges effective March 1, 2013.

MISCELLANEOUS CHARGES

A. Establishment of Service Regular Hours

\$40.00

B. Re-Establishment of Service (R14-2-203.D.) (same customer, same location within 12 months)

Monthly Minimum times the number of months disconnected (minimum 3

months).

C. Reconnection of Service

(after Disconnection due to Delinquency)
Regular Hours

\$30.00

D. Service Charge (after hours)

\$50.00

E. Charge for Moving Meter at customer request

(R14-2-206.B.)

Cost (including parts, (charges, labor and

overhead)

F. Customer-requested Meter Test

(R14-2-209.F.)

Cost (including parts, (charges, labor and

overhead)

G. Minimum Deposit Request (R14-2-203.B.)

1. Residential Customer

(Two times estimated average monthly bill)

2. Non-residential Customer

(Two and one-half times estimated maximum

monthly bill)

H. Customer Requested Meter Re-Read (R14-2-209.C.)

\$25.00

Effective: March 1, 2013

Replaces all previous MWE Electric Service Tariff Sheet Nos. 2.0 and 3.0.

Applies to: The Morenci Water & Electric Company Certificated Service Area Greenlee County, Arizona

<u>Statement of Charges</u> <u>Miscellaneous Charges – Electric Service</u>

1.	Charge for NSF Check (R14-2-210.F.)	\$25.00
J.	Late payment charge, per month	1.5%
K.	Deferred payment finance charge, per month (R14-2-206.B.)	1.5 %
L.	Service Line Tariff and Meter Advance Policy (R14-2-206.B.)	See Tariff Sheet No. E 3.0
M.	Line Extension Tariff (R14-2-207.C.)	See Tariff Sheet No. E 4.0
N.	Interest on Customer Deposits	2.00%

Effective: March 1, 2013

Replaces all previous MWE Electric Service Tariff Sheet Nos. 2.0 and 3.0.

Applies to: The Morenci Water & Electric Company Certificated Service Area Greenlee and Graham Counties, Arizona

Service Line Installation Tariff and Meter Advance Policy

1. AVAILABILITY

The maximum footage allowance, which the Company shall provide at the initial installation of service, without charge to the customer will be as follows:

Residential: 100 feet.

Non-residential: 0 feet.

2. CONTRIBUTIONS IN AID OF CONSTRUCTION

All costs to the Company to provide the service line from the Company's distribution line to the customer's premises in excess of the maximum footage allowance specified in paragraph 1 above will be paid by the customer as contribution in aid of construction.

3. REFUNDABLE METER ADVANCE.

The Company may require a refundable meter advance from any customer requesting service. The advance requirements will be \$50.00.

4. REFUND

The meter advance is refundable at 10% of the annual net revenues from that meter and applied as a credit to the customer's November billing of each year until fully paid.

Effective: March 1, 2013

Replaces All Previously-Issued Tariff Sheets No. E4.0.

Applies to: The Morenci Water & Electric Company Certificated Service Area Greenlee County, Arizona

Line Extension Tariff

1. <u>AVAILABILITY</u>

The maximum footage allowance, without charge to the customer will be as follows:

Residential: 100 feet.

Non-residential: 0 feet.

2. ECONOMIC FEASIBILITY STUDY

For those line extensions that exceed the maximum footage specified in paragraph 1, the Company must consider the following factors in determining the advance required by the customer.

- a. Estimated Cost of Construction:
 - Materials and Supplies.
 - Direct Labor.
 - Transportation and Construction Equipment.
 - Payroll Taxes and Insurance.
 - Engineering and Supervision.
 - Interest during construction.
- b. Estimate of operating revenue.
- c. Estimate of operating expenses.
 - Depreciation.
 - Property taxes.
 - Insurance.
 - Purchase power cost.
 - Customer accounting and collection.
 - Other operation and maintenance.

Effective: March 1, 2013

Replaces All Previously-Issued Tariff Sheet Nos. E5.0 through E6.0

Sheet No. E 4.0

THE MORENCI WATER AND ELECTRIC COMPANY ("MWE)

Applies to: The Morenci Water & Electric Company Certificated Service Area Greenlee County, Arizona

Line Extension Tariff (continued)

ANNUAL SURVEY.

The customer may request an annual survey to determine if additional customers have been connected to and are using service from the extension. In no case will the amount of the refund exceed the amount originally advanced.

4. <u>INTEREST</u>

All advances in aid of construction will be non-interest bearing.

5. <u>REFUND</u>

If after five (5) years from the utility's receipt of the advance, the advance has not been totally refunded, the advance will be considered a contribution in aid of construction and will no longer be refundable.

6. OWNERSHIP OF FACILITIES.

All facilities installed under line extension agreements are the sole property of the Company.

Effective: March 1, 2013

Replaces All Previously-Issued Tariff Sheet Nos. E5.0 through E6.0

Applies to: The Morenci Water & Electric Company Certificated Service Area Greenlee County, Arizona

Statement of Charges Morenci Town-Site – Water Service

In Decision No. 73737 (February 20, 2013) the Commission approved the following rates effective starting March 1, 2013 for all customers located within the Morenci Town-Site.

APPLICABILITY

Applicable to all MWE water customers served by the Morenci System.

RATE

The following rates are effective for all services for Morenci system customers starting on March 1, 2013 through February 28, 2014.

Meter Size	Monthly	Tier C	ne	Tier Two		Tier Three	
	Service	Commodity	Upper	Commodity	Upper	Commodity	Upper
	Charge	Rate (per	Limit	Rate (per	Limit	Rate (per	Limit
		1,000	(gallons)	1,000	(gallons)	1,000	(gallons)
		gallons)		gallons)		gallons)	
5/8-inch x 3/4 inch	\$9.25	\$1.05	3,000	\$1.65	8,000	\$2.18	None
3/4-inch	\$9.25	\$1.05	3,000	\$1.65	8,000	\$2.18	None
1-inch	\$10.50	\$1.05	3,000	\$1.65	8,000	\$2.18	None
1 1/2-inch	\$20.00	\$1.05	3,000	\$1.65	37,000	\$2.18	None
2-inch	\$25.00	\$1.05	3,000	\$1.65	65,000	\$2.18	None
3-inch	\$35.00	\$1.05	3,000	\$1.65	108,000	\$2.18	None
4-inch	\$50.00	\$1.05	3,000	\$1.65	142,000	\$2.18	None
6-inch	\$75.00	\$1.05	3,000	\$1.65	245,000	\$2.18	None
Industrial Water Sa	ales (per 1,	000 gallons) - :	\$0.5500				

Effective: March 1, 2013

Replaces All Previously-Issued Tariff Sheet Nos. W1.0

Applies to: The Morenci Water & Electric Company Certificated Service Area Greenlee County, Arizona

Statement of Charges Morenci Town-Site – Water Service

The following rates are effective for all services for Morenci system customers starting on March 1, 2014 through February 28, 2015.

Meter Size	Monthly	Tier C	ne	Tier Two		Tier Three	
	Service	Commodity	Upper	Commodity	Upper	Commodity	Upper
	Charge	Rate (per	Limit	Rate (per	Limit	Rate (per	Limit
		1,000	(gallons)	1,000	(gallons)	1,000	(gallons)
		gallons)		gallons)		gallons)	
5/8-inch x 3/4 inch	\$10.25	\$1.16	3,000	\$1.83	8,000	\$2.41	None
3/4-inch	\$10.25	\$1.16	3,000	\$1.83	8,000	\$2.41	None
1-inch	\$11.60	\$1.16	3,000	\$1.83	8,000	\$2.41	None
1 ½-inch	\$22.15	\$1.16	3,000	\$1.83	37,000	\$2.41	None
2-inch	\$27.70	\$1.16	3,000	\$1.83	65,000	\$2.41	None
3-inch	\$38.75	\$1.16	3,000	\$1.83	108,000	\$2.41	None
4-inch	\$55.35	\$1.16	3,000	\$1.83	142,000	\$2.41	None
6-inch	\$83.00	\$1.16	3,000	\$1.83	245,000	\$2.41	None
Industrial Water Sa	ales (per 1,	000 gallons) - :	\$0.6050				

The following rates are effective for all services for Morenci system customers starting on March 1, 2015.

Meter Size	Monthly	Tier C)ne	Tier Two		Tier Three	
	Service	Commodity	Upper	Commodity	Upper	Commodity	Upper
	Charge	Rate (per	Limit	Rate (per	Limit	Rate (per	Limit
		1,000	(gallons)	1,000	(gallons)	1,000	(gallons)
		gallons)		gallons)		gallons)	
5/8-inch x 3/4 inch	\$11.20	\$1.27	3,000	\$2.00	8,000	\$2.67	None
³⁄₄-inch	\$11.20	\$1.27	3,000	\$2.00	8,000	\$2.67	None
1-inch	\$12.70	\$1.27	3,000	\$2.00	8,000	\$2.67	None
1 1/2-inch	\$24.20	\$1.27	3,000	\$2.00	37,000	\$2.67	None
2-inch	\$30.25	\$1.27	3,000	\$2.00	65,000	\$2.67	None
3-inch	\$42.35	\$1.27	3,000	\$2.00	108,000	\$2.67	None
4-inch	\$60.50	\$1.27	3,000	\$2.00	142,000	\$2.67	None
6-inch	\$90.75	\$1.27	3,000	\$2.00	245,000	\$2.67	None
Industrial Water Sa	ales (per 1,	000 gallons) - :	\$0.6655				

TAXES AND ASSESSMENTS

In addition to all other rates and charges authorized by the Commission in Decision No. 73737, MWE will collect from its customers all applicable sales, transaction, privilege, regulatory and other taxes and assessments as may now or in the future apply.

Effective: March 1, 2013

Replaces All Previously-Issued Tariff Sheet Nos. W1.0

Sheet No. W-1.0

THE MORENCI WATER AND ELECTRIC COMPANY ("MWE)

Applies to: The Morenci Water & Electric Company Certificated Service Area Greenlee County, Arizona

<u>Statement of Charges</u> <u>Morenci Town-Site – Water Service</u>

RULES AND REGULATIONS

The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. A.A.C. R14-4-401 through R14-4-411 will be controlling of Company procedures, unless subsequent Commission decisions provide otherwise.

Effective: March 1, 2013

Replaces All Previously-Issued Tariff Sheet Nos. W1.0

Applies to: The Morenci Water & Electric Company Certificated Service Area Greenlee County, Arizona

Statement of Charges Clifton System – Water Service

In Decision No. 73737 (February 20, 2013) the Commission approved the following rates for all customers located within the Clifton system.

APPLICABILITY

Applicable to all MWE water customers served by the Clifton System.

RATE

The following rates are effective for all services for Clifton system customers starting on March 1, 2013 through February 28, 2014.

Meter Size	Monthly	Tier C	One Tier Two		Tier T	hree	
	Service	Commodity	Upper	Commodity	Upper	Commodity	Upper
	Charge	Rate (per	Limit	Rate (per	Limit	Rate (per	Limit
		1,000	(gallons)	1,000	(gallons)	1,000	(gallons)
		gallons)		gallons)		gallons)	
5/8-inch x 3/4 inch	\$9.50	\$0.85	3,000	\$1.36	8,000	\$1.94	None
3/4-inch	\$9.50	\$0.85	3,000	\$1.36	8,000	\$1.94	None
1-inch	\$10.50	\$0.85	3,000	\$1.36	8,000	\$1.94	None
1 1/2-inch	\$26.35	\$0.85	3,000	\$1.36	37,000	\$1.94	None
2-inch	\$42.75	\$0.85	3,000	\$1.36	65,000	\$1.94	None
3-inch	\$67.75	\$0.85	3,000	\$1.36	108,000	\$1.94	None
4-inch	\$87.75	\$0.85	3,000	\$1.36	142,000	\$1.94	None
6-inch	\$147.75	\$0.85	3,000	\$1.36	245,000	\$1.94	None

Effective: March 1, 2013

Replaces All Previously-Issued Tariff Sheet Nos. W2.0

Applies to: The Morenci Water & Electric Company Certificated Service Area Greenlee County, Arizona

Statement of Charges Clifton System – Water Service

The following rates are effective for all services for Clifton system customers starting on March 1, 2014 through February 28, 2015.

Meter Size	Monthly	Tier One		Tier Two		Tier Three	
	Service Charge	Commodity Rate (per	Upper Limit	Commodity Rate (per	Upper Limit	Commodity Rate (per	Upper Limit
		1,000 gallons)	(gallons)	1,000 gallons)	(gallons)	1,000 gallons)	(gallons)
5/8-inch x 3/4 inch	\$9.75	\$0.85	3,000	\$1.69	8,000	\$2.27	None
3/4-inch	\$9.75	\$0.85	3,000	\$1.69	8,000	\$2.27	None
1-inch	\$10.75	\$0.85	3,000	\$1.69	8,000	\$2.27	None
1 1/2-inch	\$26.50	\$0.85	3,000	\$1.69	37,000	\$2.27	None
2-inch	\$43.00	\$0.85	3,000	\$1.69	65,000	\$2.27	None
3-inch	\$68.00	\$0.85	3,000	\$1.69	108,000	\$2.27	None
4-inch	\$88.00	\$0.85	3,000	\$1.69	142,000	\$2.27	None
6-inch	\$148.00	\$0.85	3,000	\$1.69	245,000	\$2.27	None

The following rates are effective for all services for Clifton system customers starting on March 1, 2015.

Meter Size	Monthly	Tier C	ne ne	Tier Two		Tier Three	
	Service	Commodity	Upper	Commodity	Upper	Commodity	Upper
	Charge	Rate (per	Limit	Rate (per	Limit	Rate (per	Limit
		1,000	(gallons)	1,000	(gallons)	1,000	(gallons)
		gallons)		gallons)		gallons)	
5/8-inch x 3/4 inch	\$10.00	\$0.85	3,000	\$2.03	8,000	\$2.61	None
3/4-inch	\$10.00	\$0.85	3,000	\$2.03	8,000	\$2.61	None
1-inch	\$11.00	\$0.85	3,000	\$2.03	8,000	\$2.61	None
1 1/2-inch	\$26.75	\$0.85	3,000	\$2.03	37,000	\$2.61	None
2-inch	\$43.25	\$0.85	3,000	\$2.03	65,000	\$2.61	None
3-inch	\$68.25	\$0.85	3,000	\$2.03	108,000	\$2.61	None
4-inch	\$88.25	\$0.85	3,000	\$2.03	142,000	\$2.61	None
6-inch	\$148.25	\$0.85	3,000	\$2.03	245,000	\$2.61	None

TAXES AND ASSESSMENTS

In addition to all other rates and charges authorized by the Commission in Decision No. 73737, MWE will collect from its customers all applicable sales, transaction, privilege, regulatory and other taxes and assessments as may now or in the future apply.

Effective: March 1, 2013

Replaces All Previously-Issued Tariff Sheet Nos. W2.0

Sheet No. W-2.0

THE MORENCI WATER AND ELECTRIC COMPANY ("MWE)

Applies to: The Morenci Water & Electric Company Certificated Service Area Greenlee County, Arizona

Statement of Charges Clifton System – Water Service

RULES AND REGULATIONS

The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. A.A.C. R14-4-401 through R14-4-411 will be controlling of Company procedures, unless subsequent Commission decisions provide otherwise.

Effective: March 1, 2013

Replaces All Previously-Issued Tariff Sheet Nos. W2.0

Sheet No. W<u>-3.0</u>

THE MORENCI WATER AND ELECTRIC COMPANY ("MWE) - Water Department

Applies to: The Morenci Water & Electric Company Certificated Service Area Greenlee County, Arizona

<u>Statement of Charges</u> Miscellaneous Charges – Water Service

In Decision No. 73737 (February 20, 2013) the Commission approved the following miscellaneous charges effective March 1, 2013 for both the Morenci and Clifton systems.

MISCELLANEOUS CHARGES

A.	Establishment of Service (New Customer Charge, in addition to F., L. & M. below)	
	Regular Hours	\$40.00

B.	Re-Establishment of Service (R14-2-403.D.)	
	(same customer, same location within 12 months)	Monthly Minimum times
		the number of months

the number of months disconnected (minimum 3 months)

C. Re-connection of Service
Regular Hours \$30.00

D. Service Charge (after hours) \$50.00

E. Charge for Moving Meter at customer request (R14-2-405.B.)

Cost (including parts, (charges, labor and

overhead)

F. Customer-requested Meter Test (if accurate) (R14-2-408.F.)

Cost (including parts, (charges, labor and

overhead)

G. Minimum Deposit Request (R14-2-403.B)

1. Residential Customer (Two times estimated average monthly bill)

2. Non-residential Customer (Two and one-half times

estimated maximum

monthly bill)

H. Customer Requested Meter Re-Read (if correct) (R14-2-408.C.) \$25.00

I. Charge for NSF Check (R14-2-409.F.) \$25.00

Effective: March 1, 2013

Replaces All Previously-Issued Tariff Sheet No. W3.0.

Sheet No. W-3.0

THE MORENCI WATER AND ELECTRIC COMPANY ("MWE) - Water Department

Applies to: The Morenci Water & Electric Company Certificated Service Area Greenlee County, Arizona

<u>Statement of Charges</u> <u>Miscellaneous Charges – Water Service</u> (continued)

J.	Late payment charge, per month	1.5 %
K.	Deferred payment finance charge, per month (R14-2-409.G.)	1.5 %
L.	Service Line Tariff and Meter Advance Policy (R14-2-405)	See Tariff Sheet No. W4.0
M.	Line Extension Tariff (R14-2-406)	See Tariff Sheet No. W5.0
N.	Interest on Customer Deposits	2.00%

Effective: March 1, 2013

Replaces All Previously-Issued Tariff Sheet No. W3.0.

Sheet No. W4.0

THE MORENCI WATER AND ELECTRIC COMPANY ("MWE) - Water Department

Applies to: The Morenci Water & Electric Company Certificated Service Area Greenlee and Graham Counties, Arizona

Refundable Service Line and Meter Installation Charges

Meter Size	Service Line	Meter	Total
5/8-inch	\$370.00	\$130.00	\$500.00
¾ inch	\$370.00	\$205.00	\$575.00
1-inch	\$420.00	\$240.00	\$660.00
1 ½-inch	\$450.00	\$450.00	\$900.00
2-inch	\$580.00	\$945.00	\$1,525.00
3-inch	\$745.00	\$1,420.00	\$2,165.00
4-inch	\$1,090.00	\$2,270.00	\$3,360.00
6-inch	\$1,610.00	\$4,425.00	\$6,035.00
Over 6-inch	Cost	Cost	Cost

Effective: March 1, 2013

Replaces All Previously-Issued Tariff Sheet No. W4.0.

Applies to: The Morenci Water & Electric Company Certificated Service Area Greenlee County, Arizona

Line Extension Tariff

1. AVAILABILITY

The maximum footage allowance, without charge to the customer will be as follows:

Residential: 100 feet.

Non-residential: 0 feet.

2. ECONOMIC FEASIBILITY STUDY

For those main extensions that exceed the maximum footage specified in paragraph 1, the Company must consider the following factors in determining the advance required by the customer.

- a. Estimated Cost of Construction:
 - Materials and Supplies.
 - Direct Labor.
 - Transportation and Construction Equipment.
 - Payroll Taxes and Insurance.
 - Engineering and Supervision.
 - Interest during construction.
- b. Estimate of operating revenue.
- c. Estimate of operating expenses.
 - Depreciation.
 - Property taxes.
 - Insurance.
 - Purchase power cost.
 - Customer accounting and collection.
 - Other operation and maintenance.

Effective: March 1, 2013

Replaces All Previously-Issued Tariff Sheet Nos. W5.0 through W6.0

Applies to: The Morenci Water & Electric Company Certificated Service Area Greenlee County, Arizona

Line Extension Tariff (continued)

3. ANNUAL SURVEY.

The customer may request an annual survey to determine if additional customers have been connected to and are using service from the extension. In no case will the amount of the refund exceed the amount originally advanced.

4. <u>INTEREST</u>

All advances in aid of construction will be non-interest bearing.

5. REFUND

If after five (5) years from the utility's receipt of the advance, the advance has not been totally refunded, the advance will be considered a contribution in aid of construction and will no longer be refundable.

6. OWNERSHIP OF FACILITIES.

All facilities installed under line extension agreements are the sole property of the Company.

Effective: March 1, 2013

Replaces All Previously-Issued Tariff Sheet Nos. W5.0 through W6.0